

MEMORANDUM FOR: Assistant Director for Operations

SUBJECT : Claim for Financial Loss by [REDACTED]

STATINTL

1. I am returning herewith the file of documents relating to a claim submitted by the subject relative to expenses incurred in preparation for an overseas assignment which did not materialize.

2. I cannot approve this claim for payment under the authority granted in paragraph 10.12 of the Confidential Funds Regulations for the reasons stated below:

a. There appears to be no record of a firm commitment for [REDACTED] to proceed to an overseas post.

b. Items 2 through 5 of his claim are not of a nature normally reimbursable, but are solely for personal needs.

c. Item 1 of the claim was not officially authorized and was undertaken by the claimant without the benefit of an official order to incur such expenses.

d. Notwithstanding the provisions of (a) through (c) above, claims of this type have been consistently disapproved, since expenses of this nature are not reimbursable under any existing Government Regulations.

3. In considering this case, two questions are raised:

a. Are there any circumstances which take this case out of normal Government Regulations as being peculiar to the operations of CIA?

b. If not, should we use the power granted to CIA with respect to unvouchered funds to reimburse expenses which are not permissible under normal Government rules?

4. The fact is that cancellation of orders or commitments is not a situation peculiar to CIA. The Comptroller General has ruled with respect to the Director's authority for use of unvouchered funds 007

as follows:

"I feel certain it was not contemplated by the sponsors of the Bill or by the Congress that this broad authority would be resorted to or that it even contemplates a disregard of any control with respect to the normal administrative or operating problems which confronts the ordinary Government Agency. (Comptroller General, B-106510, 21 November 1951.)

5. In summary, it is my opinion that, in the absence of very peculiar circumstances, to use unvouchered funds to reimburse the individual for this type of expenditure or loss which throughout Government is considered personal, no matter how unfortunate, would constitute an improper use of the authority invested in CIA to expend funds without regard to any other provisions of law.

15/

L. E. WHITE
Acting Deputy Director
(Administration)

SA/DD/A:WEB:sh(24 Feb 54)

Distribution:

- 0&1 - Addressee
- 1 - Inspector General
- 1 - DD/A Chrono
- ✓ 1 - DD/A Subject *act 6*